

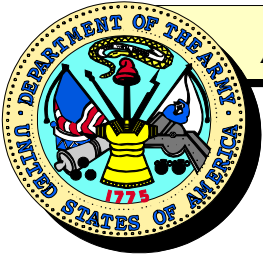


*Assistant Secretary of the Army - Financial Management & Comptroller*

# ***DOD TRAVEL CHARGE CARD***

## **ARMY TRAVEL CARD PROGRAM**

**ARMY PROGRAM MANAGER  
OFFICE, ASSISTANT SECRETARY OF THE ARMY  
(FINANCIAL MANAGEMENT & COMPTROLLER)**



# ***DOD TRAVEL CHARGE CARD***

## CONTRACT & TASK ORDER:

- Contract structure:
  - GSA master contract for all Federal agencies
  - DOD task order with Bank of America
- Period covered:
  - Two-year contract (Dec 98 - Nov 00)
  - Eight one-year options (Dec 00 - Nov 08)
- Includes services for:
  - Individually Billed Accounts (IBA)
  - Centrally Billed Accounts (CBA)



# ***DOD TRAVEL CHARGE CARD***

## **PROGRAM FEATURES:**

- VISA card w/ wide acceptance
- On-line management system
- Controls: credit checks, merchant codes, card types w/ charge limits:
  - Standard card: \$500 ATM cash/\$5000 total
  - Restricted card: \$250 ATM cash/\$2000 total
- Fees:
  - ATM cash fee of 3% or \$2.00 (reimbursable)
  - Returned check fee of \$29, late fee of \$29
- Bank rebates, based on charge volume



# ***DOD TRAVEL CHARGE CARD***

## TRAVEL & TRANSPORTATION REFORM ACT:

- Employee must use travel card for official travel expenses
  - Agency can exempt types of personnel or expense
- Agency must reimburse travel expenses w/in 30 days after claim
- Agency may collect delinquency from pay
  - Undisputed amounts only
  - After notification/due process
  - Collection NTE 15% of disposable pay

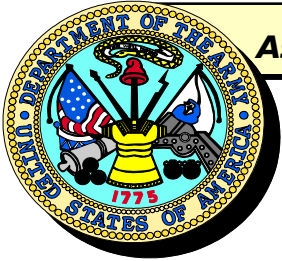


# ***DOD TRAVEL CHARGE CARD***

## ARMY TRAVEL CARD POPULATION:

**330,846 Total Cards**

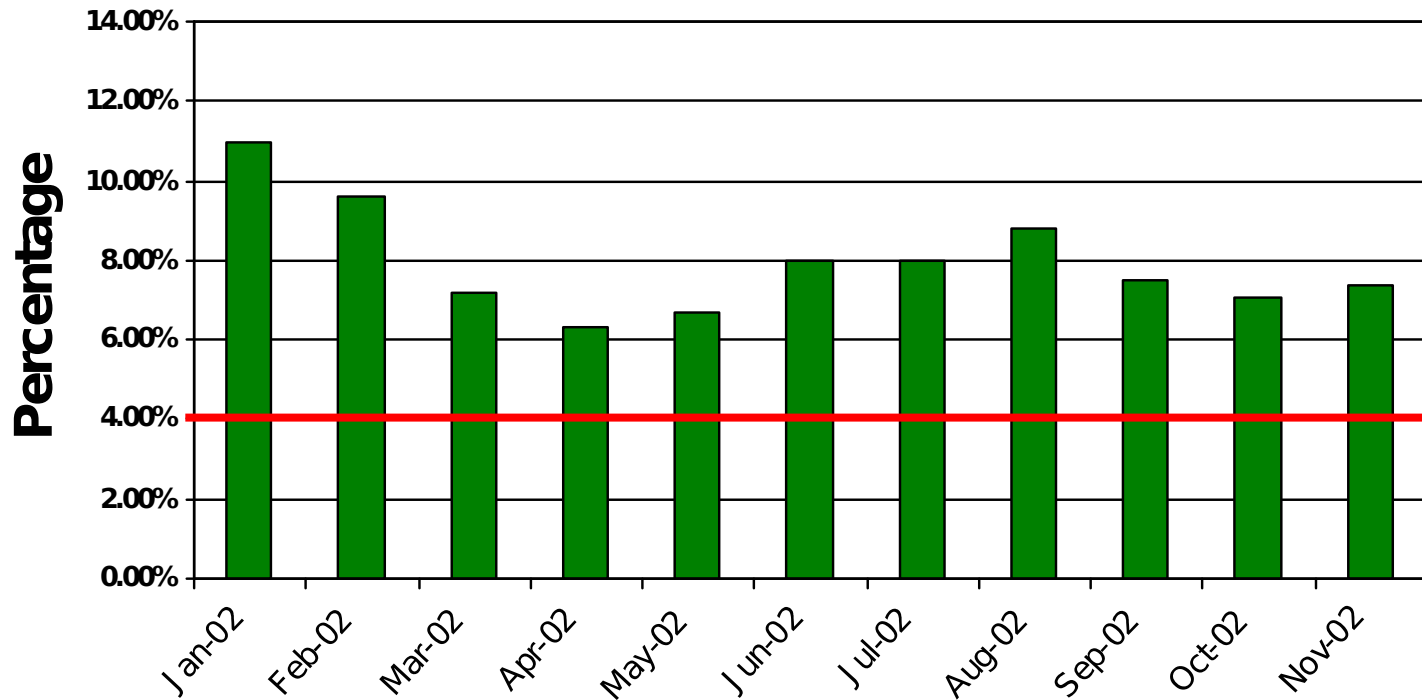
- 198,513 Military
  - 59,033 Officer/Warrant Officer
  - 139,480 Enlisted
    - 95,180 E1-E6 (48% of Military)



# DOD TRAVEL CHARGE CARD

## Army Delinquency Rate

(January 2002 - November 2002)



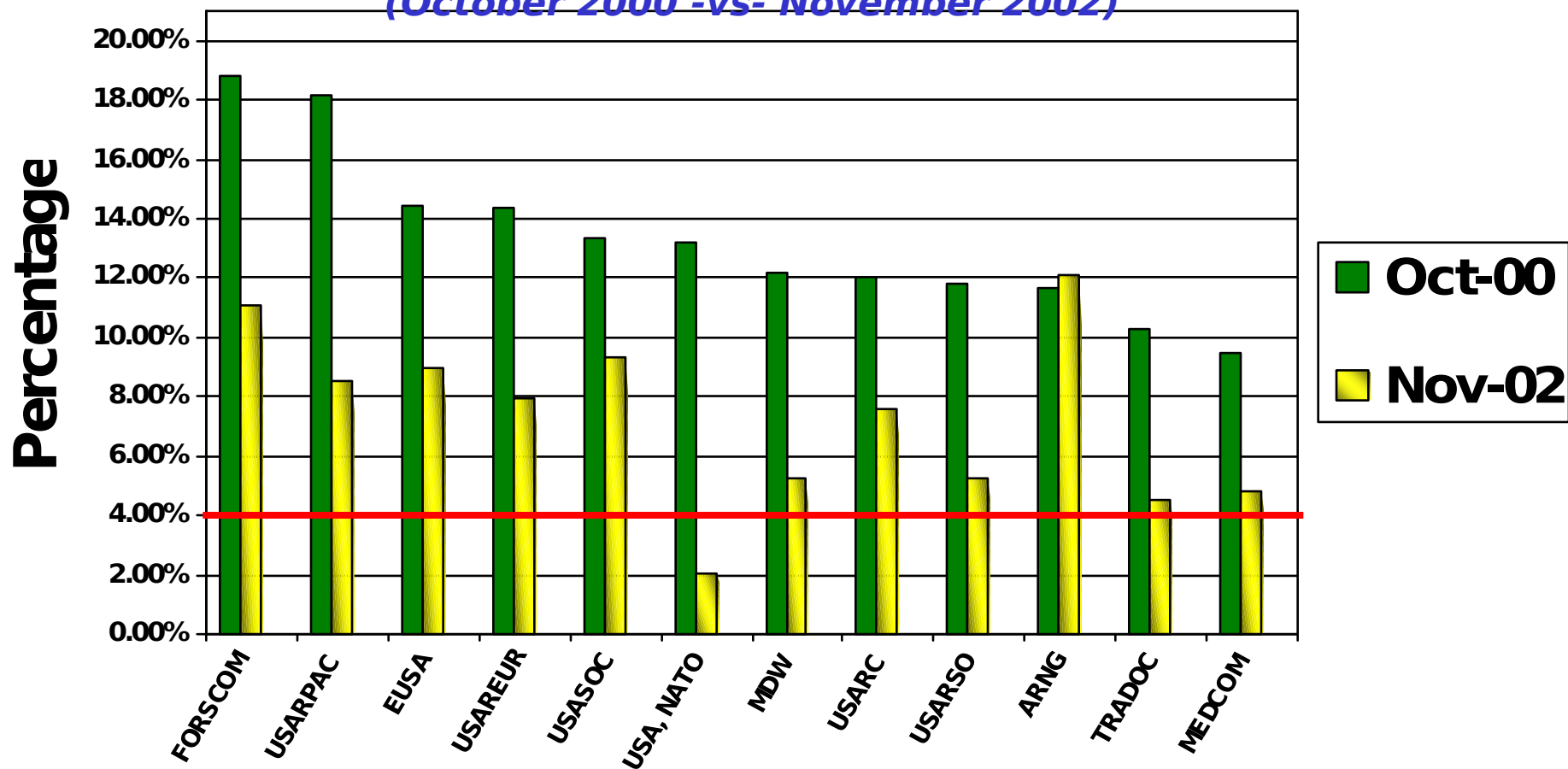
**Army  
Goal  
4%**

As of 11 November 2002



# **DOD TRAVEL CHARGE CARD MACOM Delinquency Rates**

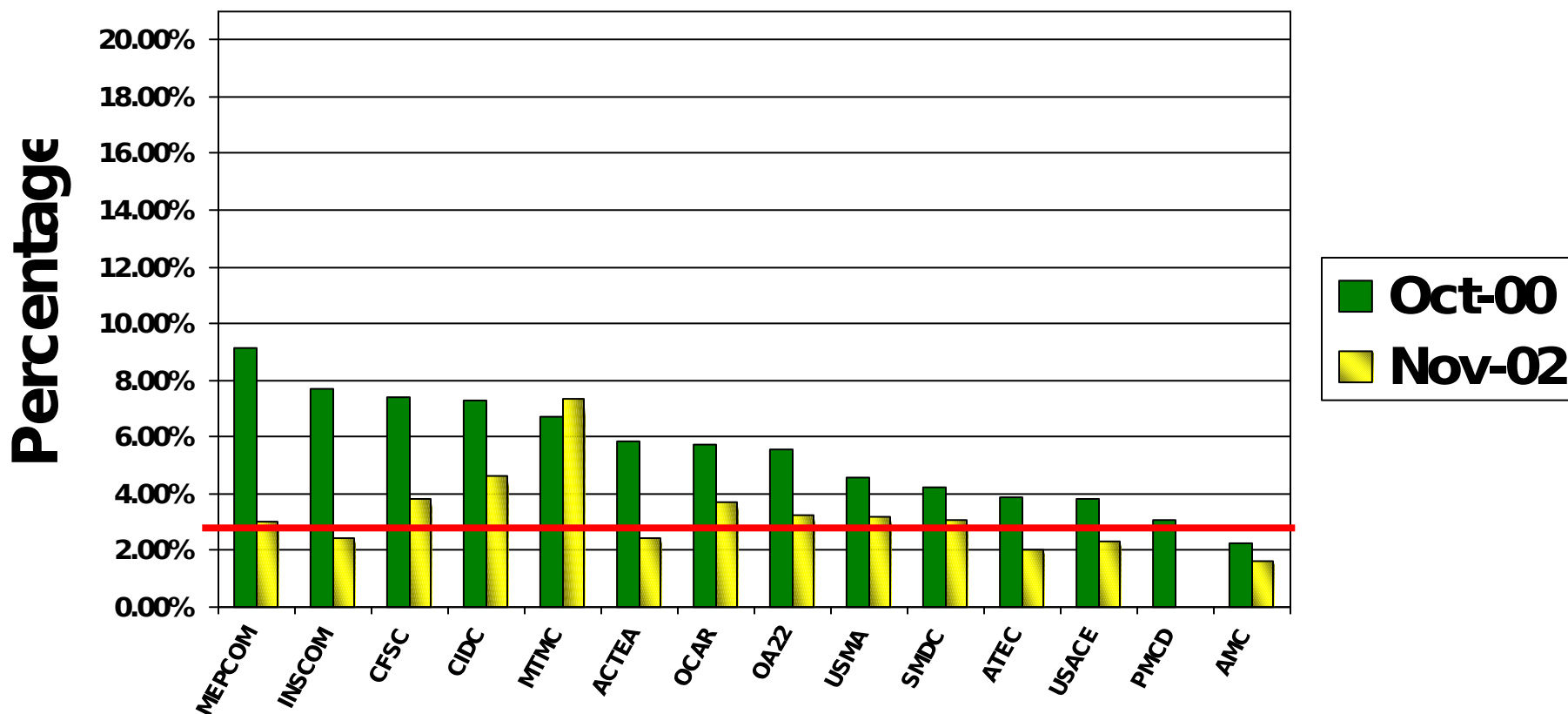
*(October 2000 -vs- November 2002)*





# **DOD TRAVEL CHARGE CARD MACOM Delinquency Rates**

**(October 2000 -vs- November 2002)**



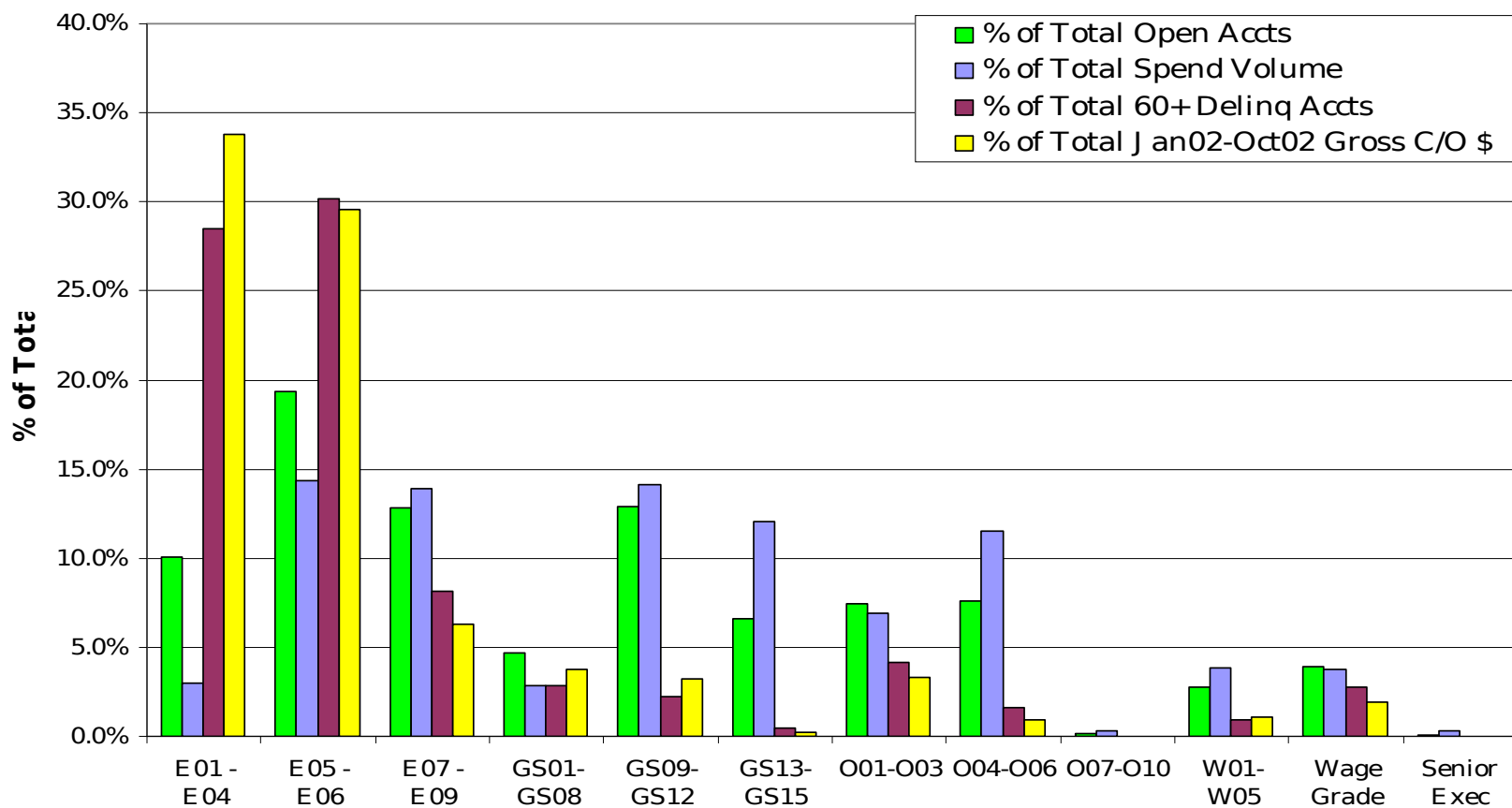


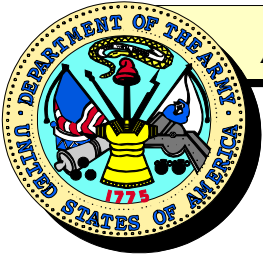


# DOD TRAVEL CHARGE CARD

## Army IBA - Distributions by Rank/Grade

October 2002 EOM Data





# ***DOD TRAVEL CHARGE CARD DELINQUENCY STATISTICS***

- E1-E4s are:
  - only 7% of active accounts & 4% of spend, but
  - 28% of delinquent accounts
  - 27% of delinquent dollars
- E5-E6s are
  - only 19% of active accounts & 15% of spend, but
  - 30% of delinquent accounts
  - 29% of delinquent dollars



# ***DOD TRAVEL CHARGE CARD SALARY OFFSET STATISTICS OCTOBER 31, 2002***

- ARMY AC cardholders are:
  - 35.1% of DOD cardholders in the program
  - 43.3% of DOD dollars collected
- ARMY RC cardholders are:
  - 20.5% of DOD cardholders in the program
  - 8.7% of DOD dollars collected
- TOTAL COLLECTED: \$13.3 million



# ***DOD TRAVEL CHARGE CARD***

## **GAO AUDIT/CONGRESSIONAL HEARING**

### **GAO AUDIT FINDINGS:**

- Numerous incidents of misuse
- Lack of program oversight
- Lack of accountability
- Little evidence of discipline
- Inadequate staffing of APC function



# ***DOD TRAVEL CHARGE CARD***

## **SECRETARY of the ARMY MEMORANDUM**

- Resource APC function to meet requirements
- Prohibit travel card use for PCS expenses
  - Deactivate travel card if no TDY enroute
- Exempt travel card use for deployment travel
  - Focus: areas where payment of bill is impractical
- Require APC review of accounts for misuse
  - Review 10% of active accounts each month
- New Army goal: 4.5% of dollars delinquent



# ***DOD TRAVEL CHARGE CARD***

## ***ASA (FM&C) MEMORANDUM***

In addition to items in SA memorandum:

- Establish initial and annual APC and cardholder training requirements
- Encourage use of on-base resources for personal financial responsibility training
- Provide traveler training on completion of DD1351-2, expedite Approving Official review and claim submission



# ***DOD TRAVEL CHARGE CARD***

## ***ASA (FM&C) MEMORANDUM***

- Statement of Understanding
- DD FM 1556 or purchase card for registration and advance conference fees
- Ensure APC is mandatory step for in/out processing. Transfer accounts within 30days
- Use AAA and internal review program as oversight resources



# ***DOD TRAVEL CHARGE CARD CONGRESSIONAL ACTIONS***

## ***FY 2003 Appropriations Act:***

- Limits number of charge cards to 1.5 million
- DOD determine creditworthiness prior to card issue
- Establish disciplinary guidelines
- Report to Congress on the above by June 30, 2003

## ***FY 2003 Authorization Act:***

- Mandatory split disbursement
- Mandatory salary offset

***OUSD(C) working implementing instructions***





# ***DOD TRAVEL CHARGE CARD SUMMARY***

- Delinquency and misuse remain problems
- Supervisor/commander emphasis necessary
- Command expectations must be clear
- Accountability/discipline
- Commitment to effective program